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**EIGHTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
WINNFIELD, LOUISIANA**

**ANNUAL FINANCIAL REPORT
DECEMBER 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-19-06

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EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Winnfield, Louisiana

**Annual Financial Report
December 31, 2005**

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INDEPENDENT AUDITORS' REPORT

The Honorable Jim W. Wiley, District Judge
Eighth Judicial District
Winnfield, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eighth Judicial District Court Judicial Expense Fund Winnfield, Louisiana, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2005, which collectively comprise the Judicial Expense Fund's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Eighth Judicial District Court Judicial Expense Fund. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Eighth Judicial District Court Judicial Expense Fund as of December 31, 2005, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2006, on our consideration of the Eighth Judicial District Court Judicial Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying required supplementary information, which consists of the Budgetary Comparison Schedule, page 26, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The Eighth Judicial District Court Judicial Expense Fund has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Eighth Judicial District Court Judicial Expense Fund's basic financial statements. The other accompanying supplementary information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Eighth Judicial District Court Judicial Expense Fund. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

White & Bates

White & Bates
Winnfield, Louisiana
June 22, 2006

BASIC FINANCIAL STATEMENTS

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Statement of Net Assets
Governmental Activities

December 31, 2005

Assets

Cash and Cash Equivalents	\$ 144,842
Receivables	10,457
Prepaid insurance	1,325
Capital assets, net of accumulated depreciation	<u>10,182</u>
Total Assets	<u>166,806</u>

Liabilities

Accounts Payable	282
Payroll taxes payable	2,130
Employee benefits payable	<u>12,468</u>
Total Liabilities	<u>14,880</u>

Net Assets

Invested in capital assets	10,182
Unrestricted	<u>141,744</u>
Total Net Assets	<u>\$ 151,926</u>

The accompanying notes are an integral part of the basic financial statements.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Statement of Activities Governmental Activities

For the Year Ended December 31, 2005

Activities	Expenses	Program Revenues			Net (Expense) Revenues & Changes in Net Assets
		Fines, Fees, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities
Governmental Activities:					
Judicial	\$ 167,410	\$ 73,987	\$ -	\$ -	\$ (93,423)
General Revenues:					
State grants					59,410
Winn Parish Criminal Court Fund					42,333
Interest earnings					481
Total General Revenues					<u>102,224</u>
Change in Net Assets					8,801
Net Assets January 1, 2005					<u>143,125</u>
Net Assets December 31, 2005					<u>\$ 151,926</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Balance Sheet Governmental Funds

December 31, 2005

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 29,367	\$ 115,475	\$ 144,842
Receivables	5,971	4,486	10,457
Prepaid Insurance	1,325		1,325
Total Assets	<u>\$ 36,663</u>	<u>\$ 119,961</u>	<u>\$ 156,624</u>
Liabilities			
Accounts Payable	\$ 282	\$	\$ 282
Payroll Taxes Payable	1,299	831	2,130
Employee Benefits Payable	10,853	1,615	12,468
Total Liabilities	<u>12,434</u>	<u>2,446</u>	<u>14,880</u>
Fund Equity			
Unreserved, Undesignated	24,229	117,515	141,744
Total Fund Balance	<u>24,229</u>	<u>117,515</u>	<u>141,744</u>
Total Liabilities And Fund Equity	<u>\$ 36,663</u>	<u>\$ 119,961</u>	<u>\$ 156,624</u>

The accompanying notes are an integral part of the basic financial statements.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Reconciliation of Fund Balance on the Balance Sheet
For Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets

December 31, 2005

Fund Balance – Total Governmental Funds	\$ 141,744
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital Assets used in governmental activities are not financial resources and therefore, are not reported in the funds:	
Add – capital assets	69,102
Deduct – accumulated depreciation	<u>(58,920)</u>
Net Assets of Governmental Activities	<u>\$ 151,926</u>

The accompanying notes are an integral part of the basic financial statements.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Year Ended December 31, 2005

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues:			
Intergovernmental revenues:			
State grants	\$ 2,083	\$ 57,327	\$ 59,410
Winn Parish Criminal Court Fund	42,333		42,333
Fees, charges, and commissions for services:			
Court costs	5,720		5,720
Fines and forfeitures	68,267		68,267
Interest Earned		481	481
Total Revenues	<u>118,403</u>	<u>57,808</u>	<u>176,211</u>
Expenditures:			
Current			
Accounting and audit services	3,250		3,250
Contract services	3,817	17,303	21,120
Employee benefits	18,266	3,393	21,659
Equipment rent	1,774		1,774
Insurance	1,316		1,316
Library	6,531		6,531
Office costs	17,256	2,584	19,840
Payroll taxes	1,340	386	1,726
Salaries	60,436	26,611	87,047
Seminars and conferences	396	250	646
Capital outlays	4,134		4,134
Total Expenditures	<u>118,516</u>	<u>50,527</u>	<u>169,043</u>
Excess/(Deficit) of Revenues Over Expenditures	(113)	7,281	7,168
Other Financing Sources (Uses)			
Transfers In (Out)	(13,850)	13,850	
Net Change in Fund Balances	(13,963)	21,131	7,168
Fund Balance at January 1, 2005	<u>38,192</u>	<u>96,384</u>	<u>134,576</u>
Fund Balance at December 31, 2005	<u>\$ 24,229</u>	<u>\$ 117,515</u>	<u>\$ 141,744</u>

The accompanying notes are an integral part of the basic financial statements.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2005

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances – Total Governmental Funds	\$ 7,168
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$4,134) exceeds depreciation expense (\$2,501) in the current period.

1,633

Change in Net Assets of Governmental Activities	<u>\$ 8,801</u>
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The accompanying notes are an integral part of the basic financial statements.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes To Financial Statements For the Year Ended December 31, 2005

INTRODUCTION

THE JUDICIAL EXPENSE FUND - The Eighth Judicial District Court Judicial Expense Fund was established by Act 916 of the 1985 Session of the Louisiana Legislature to be effective January 1, 1986. The Act provides for the collection of fees in the form of court costs and fines. The Winn Parish Judicial Expense Fund places all sums collected or received under this Act in a separate account over which the judge of the Eighth Judicial District controls all disbursements made therefrom. The Act provides that these monies may be used to pay salaries for court reporters and such secretarial, clerical, research, administrative, or other personnel as are deemed necessary to expedite the business and function of the court. In addition, the judge may utilize these monies of the Judicial Expense Fund to pay all or any part of the cost of establishing or maintaining a law library for the court, or for buying or maintaining any type of equipment, supplies, or other items consistent with or germane to the efficient operation of the court, except for the payment of judge's salary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting methods and procedures adopted by the Eighth Judicial District Court Judicial Expense Fund, Winnfield, Louisiana (the "Judicial Expense Fund") conform to generally accepted accounting principles (GAAP) as applied to governmental entities. The Judicial Expense Fund applies all relevant Government Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. GAAP, as applicable to governments, also conforms to the requirements of Louisiana R.S. 24:517 and the guides set forth in the industry guide, *Audits of State and Local Government Units*, published by the American Institute of Certified Public Accountants. The following notes to the financial statements are an integral part of the Judicial Expense Fund's financial statements.

The following is a summary of the significant accounting policies:

A. FINANCIAL REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Winn Parish Police Jury is the financial reporting entity for Winn Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes To Financial Statements For the Year Ended December 31, 2005

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Judicial Expense Fund is a part of the district court system. The district court judge is an independently elected official. However, because the district court system is fiscally dependent on the police jury, and the police jury is legally responsible, for funding the operation of the district court and for provision of office space and courtrooms, the Judicial Expense Fund was determined to be a component unit of the Winn Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Eighth Judicial District Court Judicial Expense Fund and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the Judicial Expense Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments", issued in June 1999. The Judicial Expense Fund reports the General Fund and the Special Revenue Fund (Hearing Officer Fund) as major funds.

C. FUND ACCOUNTING

The Judicial Expense Fund uses funds to maintain its financial records during the year. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

The funds are grouped into one fund type as described below:

Governmental Funds – Governmental funds account for all or most of the Judicial Expense Fund's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The following are the Judicial Expense Fund's governmental funds:

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes To Financial Statements For the Year Ended December 31, 2005

General Fund – The General Fund is the general operating fund of the Judicial Expense Fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund (Hearing Officer Fund) – Special revenue funds are used to account for the proceeds of specific revenue resources that are legally restricted to expenditure for specific purposes. The Hearing Officer Fund accounts for a five percent (5%) fee assessed in non-support cases that are processed through the state's Child Support Enforcement Program. These fees are used to pay the salary of the hearing officer appointed by the judge of the Eighth Judicial District to hear support related matters as well as to fund other expenditures incurred in connection with this function.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Judicial Expense Fund. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Judicial Expense Fund's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by Court users as a fee for services, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the Fund Financial Statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Judicial Expense Fund's operations.

The amounts reflected in the Fund Financial Statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes To Financial Statements For the Year Ended December 31, 2005

and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Judicial Expense Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Court costs, fines and forfeitures are recognized as income in the year settled.

Substantially all other revenues are recorded when received by the Judicial Expense Fund.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Judicial Expense Fund.

Capital outlays are reported at the time purchased.

E. ASSETS, LIABILITIES, AND EQUITY

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and interest bearing demand deposits. Cash equivalents include short term, highly liquid investments with original maturities of 90 days or less when purchased. Under state law, the Judicial Expense Fund may deposit funds in demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable. At December 31, 2005, no amounts were deemed to be uncollectible.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes To Financial Statements For the Year Ended December 31, 2005

Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements or other capital outlays that significantly extend the useful life of an asset are capitalized. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The Judicial Expense Fund maintains a threshold level of \$200 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment	3-5
Furniture and fixtures	7

Compensated Absences

The Judicial Expense Fund has the following policy relating to vacation, sick and personal leave:

Personal leave is earned at the rate of one day per month and is cumulative to a maximum of two (2) days.

Sick leave is earned at the rate of one day per month and is cumulative to a maximum of twenty-four (24) days.

Vacation leave is earned as follows:

- Six months to ten years of employment – two (2) weeks.
- Over ten years to eighteen years of employment – three (3) weeks.
- Over eighteen years of employment – four (4) weeks.

No more than two (2) weeks of vacation time can be accumulated. Any accumulated vacation leave in excess of two (2) weeks, which is not taken by the employee's anniversary date, will be forfeited.

At December 31, 2005 the secretary and receptionist of the Eighth Judicial District Court have accumulated and vested \$7,640 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as an obligation of the General Fund.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes To Financial Statements For the Year Ended December 31, 2005

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

F. BUDGET AND BUDGETARY ACCOUNTING

The proposed budgets for the General Fund and Special Revenue Fund for the fiscal year ended December 31, 2005 were adopted and made available for public inspection on November 24, 2004. The proposed budgets were prepared on the modified accrual basis of accounting.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management device. However, periodic comparisons of budget and actual amounts are made.

All budgeted appropriations lapse at the end of each fiscal year. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Budgeted amounts included in the required supplementary information to these financial statements are as originally adopted. There were no amendments to the budgeted amounts during 2005.

G. ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results could differ from those estimates.

H. REPORT CLASSIFICATION

Certain previously reported amounts for the year ended December 31, 2004, have been reclassified to conform to the December 31, 2005 classifications.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes To Financial Statements For the Year Ended December 31, 2005

2. CASH AND CASH EQUIVALENTS

At December 31, 2005, the Judicial Expense Fund's carrying amount for deposits with financial institutions was \$144,842 with a collected bank balance of \$147,261. The bank balances were fully secured by federal deposit insurance (GASB Category1).

3. RECEIVABLES

Receivables at December 31, 2005, consisted of court costs and fees, which were earned during December 2005 but not remitted by the collecting agency until after year end.

	General Fund	Special Revenue Fund	Total
Winn Parish Clerk of Court – Civil Fees	\$ 470	\$ -	\$ 470
Winn Parish Clerk of Court – Criminal Fees	865	-	865
Winn Parish Sheriff – Fines and Forfeitures	4,636	-	4,636
State of Louisiana – Office of Family Support	-	4,486	4,486
	<u>\$ 5,971</u>	<u>\$ 4,486</u>	<u>\$ 10,457</u>

4. CAPITAL ASSETS

A summary of the changes in capital assets for the year ended December 31, 2005 is as follows:

	Balance 01/01/05	Additions	Deletions	Balance 12/31/05
Governmental Activities:				
Capital Assets:				
Office Furniture	\$ 7,588	\$ -	\$ -	\$ 7,588
Office Equipment	<u>57,381</u>	<u>4,134</u>	<u>-</u>	<u>61,515</u>
Totals	64,969	<u>\$ 4,134</u>	<u>\$ -</u>	69,103
Less Accumulated Depreciation	<u>56,420</u>	<u>\$ 2,501</u>	<u>\$ -</u>	<u>58,921</u>
Governmental Activities, Capital Assets, Net	<u>\$ 8,549</u>			<u>\$ 10,182</u>

Depreciation expense in the amount of \$2,501 was all allocated to the Judicial Expense Fund's judiciary activities.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes To Financial Statements For the Year Ended December 31, 2005

5. EMPLOYEE RETIREMENT SYSTEM

Plan Description – The secretary and receptionist of the Eighth Judicial District Court are members of the Parochial Employee's Retirement System of Louisiana (Plan A), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All employees working at least 28 hours per week and all elected parish officials are eligible to participate. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy – Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Eighth Judicial District Court Judicial Expense Fund is required to contribute at an actuarial determined rate. This current rate is 11.75% of annual covered payroll. Contributions to the System include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Eighth judicial district court judicial expense fund are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Eighth Judicial District Court Judicial Expense Fund's contributions to the system for the years ending December 31, 2005, 2004, and 2003, were \$7,537, \$9,330, and \$5,749, respectively, and were equal to the required contributions for each year.

6. EXPENDITURES MADE AND SERVICES PROVIDED BY WINN PARISH POLICE JURY

The Winn Parish Police Jury provided the Judicial Expense Fund with office facilities and the related utility costs for such facilities. These costs are not determinable and are not included in the accompanying basic financial statements.

7. LITIGATION

The Eighth judicial district court judicial expense fund was not involved in any litigation at December 31, 2005.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes To Financial Statements For the Year Ended December 31, 2005

8. COMMITMENTS

Leases that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to current operating expenditures. There were no future minimum lease payments under non-cancelable operating leases at December 31, 2005.

9. OTHER DISCLOSURES

There were no subsequent events, leases, general long-term obligations, or related party transactions that require disclosure in these notes to the December 31, 2005 basic financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund

**EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2005**

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental Revenues:						
State Grants	\$ -	\$ 2,083	\$ 2,083	\$ 48,000	\$ 57,327	\$ 9,327
Winn Parish Criminal Court Fund	42,333	42,333	-	-	-	-
Fees, Charges, and Commissions for Services:						
Court Costs	4,000	5,720	1,720	-	-	-
Fines and Forfeitures	66,740	68,267	1,527	-	-	-
Other Revenue	-	-	-	-	481	481
Total Revenues	113,073	118,403	5,330	48,000	57,808	9,808
Expenditures						
Current:						
Accounting and Audit Services	4,000	3,250	750	-	-	-
Contract Services	-	3,817	(3,817)	20,800	17,303	3,497
Employee Benefits	20,078	18,266	1,812	3,412	3,393	19
Equipment Rent	-	1,774	(1,774)	-	-	-
Insurance	3,499	1,316	2,183	-	-	-
Library	14,000	6,531	7,469	-	-	-
Office Costs	26,200	17,256	8,944	14,000	2,584	11,416
Payroll Taxes	2,966	1,340	1,626	1,384	386	998
Salaries	72,330	60,436	11,894	29,030	26,611	2,419
Seminars and Conferences	-	396	(396)	5,000	250	4,750
Capital Outlays	10,000	4,134	5,866	26,667	-	26,667
Total Expenditures	153,073	118,516	34,557	100,293	50,527	49,766
Revenues in Excess of Expenditures	(40,000)	(113)	39,887	(52,293)	7,281	59,574
Other Financing Sources (Uses):						
Transfers In (Out)	-	(13,850)	(13,850)	-	13,850	13,850
Net Change in Fund Balance	(40,000)	(13,963)	26,037	(52,293)	21,131	73,424
Fund Balances at Beginning of Year	38,192	38,192	-	96,384	96,384	-
Fund Balances at End of Year	\$(1,808)	\$ 24,229	\$ 26,037	\$ 44,091	\$ 117,515	\$ 73,424

Required Supplementary Information.

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the basic financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS

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AWRENCE I. WHITE, C.P.A.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Jim W. Wiley, District Judge
Eighth Judicial District
Winnfield, Louisiana

We have audited the basic financial statements of the **Eighth Judicial District Court Judicial Expense Fund**, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

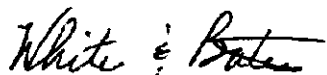
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **Eighth Judicial District Court Judicial Expense Fund's** internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the **Eighth Judicial District Court Judicial Expense Fund's** basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

This report is intended for the information and use of the **Eighth Judicial District Court Judicial Expense Fund**, its management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, the report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "White & Bates".

White & Bates
Winnfield, Louisiana
June 22, 2006

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Schedule Of Findings
Year Ended December 31, 2005

A. SUMMARY OF AUDIT RESULTS

BASIC FINANCIAL STATEMENTS:

1. An unqualified opinion was issued on the basic financial statements of the Eighth Judicial District Court Judicial Expense Fund as of and for the year ended December 31, 2005.
2. The audit of the basic financial statements disclosed no material weaknesses and no reportable conditions were identified in internal control over financial reporting.
3. The audit of the basic financial statements disclosed no instances of noncompliance required to be reported under Government Auditing Standards.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

**Schedule Of Prior Year Audit Findings
Year Ended December 31, 2005**

December 31, 2004 Financial Statement Audit Instances of Noncompliance and Reportable Conditions

SECTION I - Internal Control and Compliance Material to the Financial Statements

None

SECTION II - Management Letter

No management letter issued in prior year.